

FISCAL NOTE
SB 2201 - HB 2771

January 29, 2004

SUMMARY OF BILL: Enacts the *Tennessee New Home Warranty Act*, which:

- Requires a homebuilder to provide the purchaser of a new home with a warranty that provides protections against certain defects.
- Authorizes a homebuilder to pass the warranty along in the form of an insurance policy.
- Provides that any new home warranty would automatically transfer with ownership of the home.
- Requires a homeowner to notify the homebuilder in writing of any defects and allows the homebuilder a reasonable opportunity to repair the defects before the homeowner may make his or her own repairs or file suit against the homebuilder.
- Creates a cause of action for an affected homeowner against the homebuilder.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Not Significant
Increase State Expenditures - Not Significant
Increase Local Govt. Revenues - Not Significant
Increase Local Govt. Expenditures - Not Significant

Estimate assumes:

- a small increase in case loads for the court system.
- a not significant increase in state and local expenditures for processing such cases.
- a not significant increase in state and local government revenues from fees, taxes and costs collected from such cases.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

